

DOES YOUR COMPANY NEED ISO-9000?

by Frank Woods

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More and more companies these days are seeking ISO-9000 certification in order to help them compete in international markets.

ISO-9000 is an international standard of good management practices formulated by the International Organization for Standardization (ISO), which is headquartered in Geneva, Switzerland. The ISO is a network of the national standards institutes of some 130 countries that coordinates the system and publishes the finished standards. ISO develops voluntary technical standards, which add value to all types of business operations. These standards make trade between countries easier and fairer.

Why are more U.S. companies seeking to become ISO-9000 certified? Not only have many foreign competitors gone through the process, but also for many products and services, customers simply will not buy from non-certified companies. Buyers make it a condition of purchase. ISO certification is a voluntary process and is not a label.

Small and medium-sized enterprises have found that becoming ISO-9000 certified gives their company the international competitive edge that allows them to be successful exporters of goods and services. The widespread adoption of international standards means that suppliers can base the development of their products and services on reference documents, which have broad market relevance. This, in

turn, means that they are increasingly free to compete in many more markets around the world.

For example, Gold Tech Industries of Tempe, Arizona, with eighty-five employees, is a high tech components manufacturer currently in the process of obtaining ISO certification. When asked, Gil Montanez, general manager of Gold Tech and a member of the Arizona District Export Council, offers a couple of reasons why Gold Tech decided to implement ISO: "The benefits in quality assurance were obvious. In addition, we saw trade advantages. The certificate is recognized everywhere. It provides a standard and recognition procedure that all companies can apply. For now, we have a leg up on our competition."

THE PROCESS OF CERTIFICATION

The registration procedure for ISO begins with the application stage, followed by a preliminary visit from a certified registrar. At this stage the registrar explains what has to be changed or added to the product or service production process in order to comply with the standard. It may mean documenting activities previously not documented, reorganizing the record keeping procedures, or changing the way orders are processed.

If processes look feasible at this point, and the company can be organized as outlined in the preliminary visit, the next stages are document review,

implementation and then pre-assessment. Document review involves an inspection of company documents by the registrar. If the documents comply with the standard, the new procedures can be implemented and records according to the new system can be kept. The records must show that the company "says what it does and does what it says." The pre-assessment that follows is a practice audit conducted by the certified registrar. If the company successfully completes the pre-assessment, it moves on to the final registration audit and then the continuous surveillance stage.

It is important to remember with ISO, that the system focuses on the process not the product or service. The registration procedure requires compliance with up to twenty of the ISO-9000 elements. These elements address issues such as: control of customer supplied product, employee training, document control, inspection and testing, product identification and traceability, receiving and final inspection and corrective and preventive action. Traceability means that something or someone, such as a product, test results, raw material or subcontractor may be traced back to its source. Records play an important role in traceability; without them, this function would not be possible.

ISO-9000 does not dictate specifically how a firm implement the elements, but what it all boils down to is that companies document their own procedures, which address concerns presented in the elements. In other words, "say what

you do and do what you say — and document it.” To do this, a company must produce a procedures manual, a quality manual and work instructions. Also, a system must also be in place to conduct internal audits conducted by the firms own employees, at least twice a year to assure that the procedures are properly implemented.

WHY SHOULD FIRMS WORK TO CERTIFY?

Karsten Manufacturing Company in Phoenix, Arizona, manufactures the world famous PING golf clubs and other golf equipment. Karsten is an award winning company. They recently received ISO certification, which took them just over a year. Executive Vice President Allan Solheim is a long-standing member of the Arizona District Export Council. When asked what benefits he has observed with ISO, Allan responded “[certification] makes PING the first U.S. golf equipment company to earn ISO. I know that the consciousness of quality in our factory was raised because the responsibilities of each employee are more clearly defined, and workers better understand and appreciate the jobs of their co-workers now. All PING employees can be proud of this accomplishment.”

It is true that as trade increases around the world, buyers are requiring their suppliers to be ISO certified. Many of the clients that work with the Arizona Export Assistance Centers have had to obtain ISO certification in order to maintain relationships with their existing clients overseas. For example, Calibron Systems Inc., of Scottsdale, Arizona manufactures specialized flow and density measurement calibration equipment. The company has about fifteen employees, and it received ISO certification in March 2000. According to Mr. Edward Francisco, president of Calibron, “ISO has improved our company’s internal quality procedures and has helped with our international customer acceptance.”



Photo courtesy of U.S. Commercial Service

DG Marge Searing receives ISO-9002 certification plaque on behalf of Arizona EACs LtoR: Laura Burrue, Dan Bjerk, Nancy Krause, Kellie Holloway, DG Marge Searing, Frank Woods

Tucson based A-Tron Corporation, a manufacturer and exporter of precision parts, recently earned their ISO certification. A-Tron has about ten employees. According to A-Tron’s president, Bill Houghes, “ISO certainly lends A-Tron increased credibility in the marketplace. However, in many respects, the most valuable benefit to ISO-9000 is its emphasis on continuous improvement in everything we do process, service, training and more.”

THE MEASURE OF EQUALITY FROM PRIVATE TO PUBLIC SECTOR

The impact of ISO is extending to government as well as industry. In September 2000, the Arizona Export Assistance Centers of the U.S. Commercial Service were awarded the ISO-9002 Certificate of Registration. Marjory Searing, Acting Assistant Secretary and Director General of the Department of Commerce’s U.S. Commercial Service commented, “this certification illustrates our commitment to providing clients with service of the highest quality.” With Arizona as

a pilot, the Commercial Service hopes to implement more offices to heighten the sense of quality consciousness within the organization, provide a mechanism for continuous improvement and deliver high quality services to our clients.

Do all companies need ISO-9000? The answer, of course, depends on the objective of each firm. Many of the small to medium-sized businesses that work with the 105 Export Assistance Centers throughout the country have found it useful and increasingly important in their efforts to win and retain clients overseas. Firms say it improves the sense of quality within the organization, builds confidence, provides for a means for continuous improvement and improves customer acceptance. ■

You can find out more about ISO-9000 by visiting the International Organization for Standardization website at www.iso.ch. Additional information is available at www.qualitydigest.com.